



SPECIAL NEEDS FINANCING PROGRAM

Program Description	The Special Needs Financing Program offers low interest rate financing for the development of rental housing to serve a broad range of special needs tenants in need of supportive services. Loan types include bridge, permanent, or Loan to Lender and can be used for new construction or acquisition/rehabilitation.
Qualifications	<ul style="list-style-type: none">• Available to non-profit and public agency sponsors• This program is intended for housing organizations that target special needs populations and supply supportive services. Special needs projects may include mixed income tenants (as appropriate) for the target population
Loan Amount	<ul style="list-style-type: none">• Negotiable• Loan funds must be used for the real estate component of the project, and not for direct services
Fees (subject to change)	<ul style="list-style-type: none">• Application Fee: \$500, due at time of application submittal• Origination Fee: 1% of the loan amount, due prior to the CalHFA Board Meeting• Credit Enhancement Fee: Included in the interest rate
Rate & Terms (subject to change)	<ul style="list-style-type: none">• Fixed rate, fully amortizing; 5 to 30 year terms• Interest rate is typically 3% or less, depending on several factors, including the number of special needs tenants, the percent of very low income tenants served, and the financial need of the project• There must be a clear link between the income level of the tenants, the cost of the special needs services provided, and the amount of subsidy that CalHFA must commit to bring the interest rate down to a level that supports the project financially
Subordinate Financing	Subordinate loans or grants are encouraged from local government and third parties to achieve project feasibility. All loans, leases, development and regulatory agreements must be subordinate to CalHFA financing.
Occupancy Requirements	<ul style="list-style-type: none">• 40% of the units are required to be restricted special needs households earning 50% or less of the county median income (as adjusted by family size)• Projects that target 100% special needs tenants may receive higher subsidy amounts from CalHFA

Due Diligence	<p>All of the listed due-diligence efforts are required and are at the borrower's expense:</p> <ul style="list-style-type: none"> • Property appraisal will be ordered by CalHFA; a market study may be required • Phase I, seismic review and other studies may be required at CalHFA's discretion • Physical Needs Assessment for rehabilitation projects • Construction period inspection fees are estimated at \$1,500 per month • Design standards must meet CalHFA's goal to provide safe and sanitary special needs housing • Service agreement with a qualified service provider with first year's service financing secured
Services & Asset Management	<p>The borrower must provide a clearly articulated service delivery program and property management plan. In addition, the borrower and affiliate organizations will be scrutinized both for its ability to deliver high-quality services to the tenants and to successfully develop and manage the real estate component of the project.</p>
Questions	<p>Questions regarding the Special Needs Financing Program can be directed to CalHFA's Multifamily Finance Division:</p> <ul style="list-style-type: none"> • Kathy Weremiuk, Loan Officer, Multifamily Programs • 100 Corporate Pointe, Suite 250, Culver City, CA 90230 • Phone: 310.342.1250 <p>Email address: kweremiuk@calhfa.ca.gov</p>

IMPORTANT DISCLOSURE INFORMATION:

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. CalHFA does not discriminate on the basis of disability in employment or in the admission and access to its programs or activities.

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